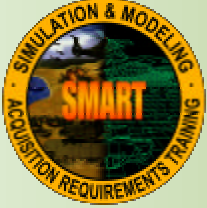


The Business Case for SBA

Developing Confidence in M&S

SBA Conference, May 17, 2001

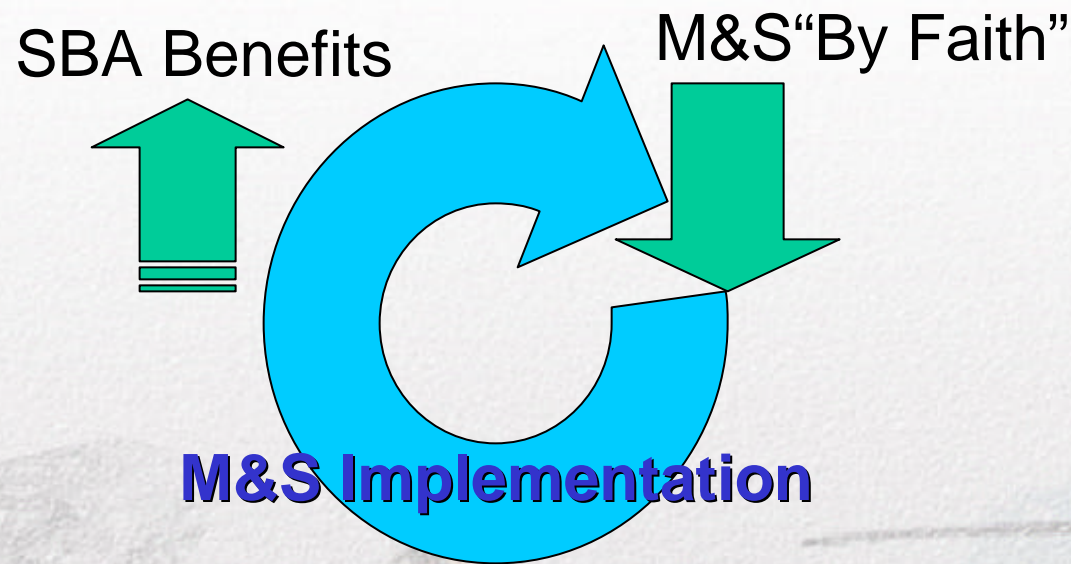
Dr. Hank Dubin
Director, Assessment and Evaluation
Office of the Assistant Secretary of the Army (Acquisition, Logistics, Technology)
United States Army



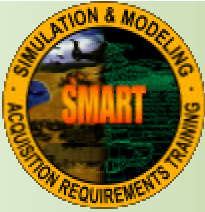
The SBA Business Case Assumption



SBA will create benefits across DoD and reduce costs to Program Managers



How to quantify costs and benefits of M&S?

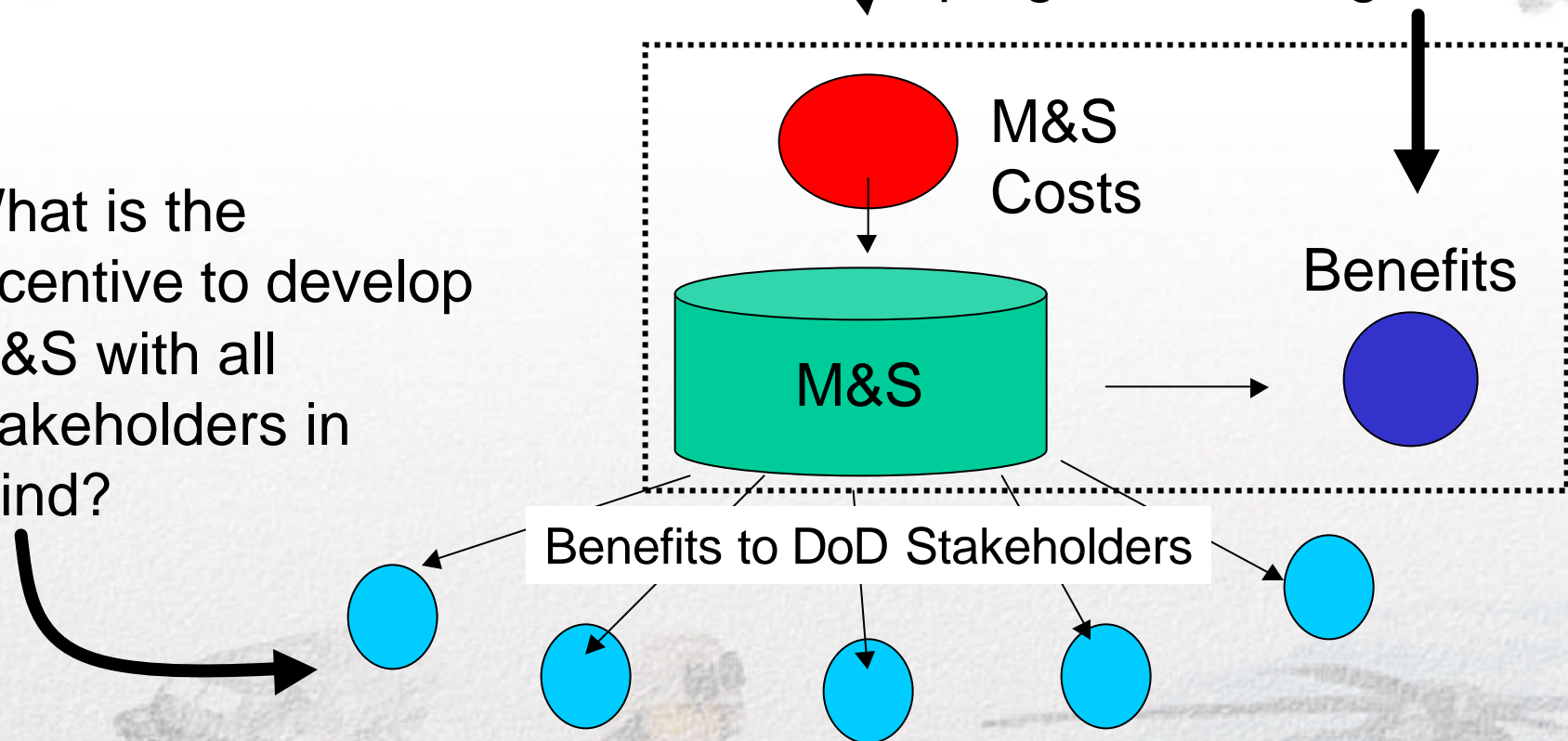


The PM's Dilemma

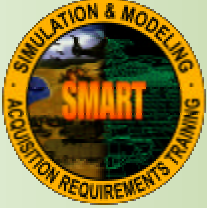
How much to spend on M&S?

What are the risks to a program in using M&S?

What is the incentive to develop M&S with all stakeholders in mind?



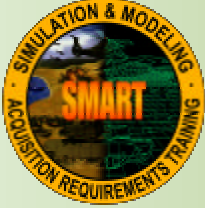
Real SBA Payoff: Reuse of M&S Past Your Watch



Quantifying the Benefits

- How do we measure the benefits of M&S?
 - Cost Avoidance (no baseline) is not the same as Cost Savings
 - Intangible benefits are hard to quantify
 - No control group: programs tend to be unique discrete events

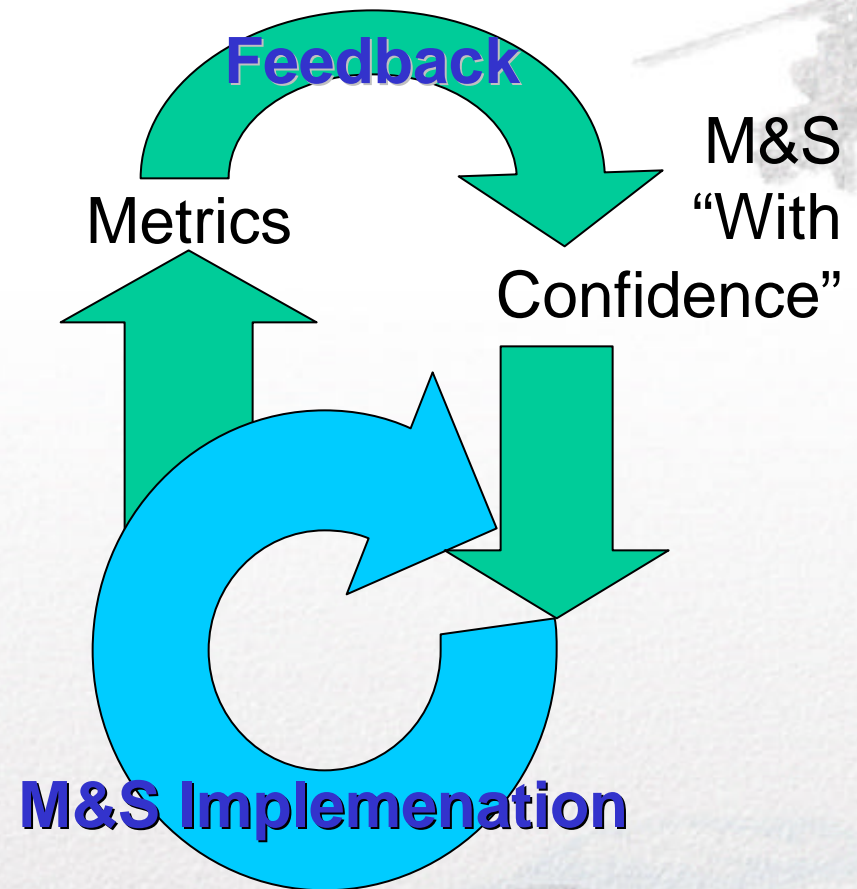
We need a way to compare and measure benefits in determining return on investment (ROI) of M&S



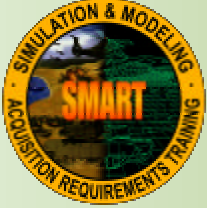
Developing Confidence

It will take time to develop confidence

- Need to establish **metrics** for benefit analysis
- **Understanding what works** creates confidence in M&S capabilities
- **Experience** should lead to understanding of new uses for M&S



Building trust and confidence in M&S will require the collective knowledge from many iterative experiments



M&S Management: A Disciplined Process

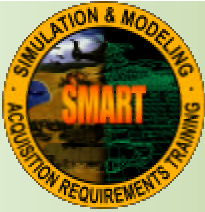


Program Management and M&S Usage

- Identify Program risks
- Map the critical path
- Identify intersections of critical path and Program risk
- Identify potential uses of M&S
- Identify M&S risks
- Compare M&S and Program risks with each other and with benefits

M&S Investment Decision





Moving Ahead

From

Spending \$\$\$
and
Taking Chances

- Understanding M&S
- Building Confidence
- Shaping Uses of M&S

To

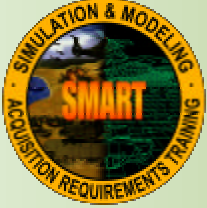
Known Tangible
Benefits for
Investment

Time

Risk to Program	
Low	High
Risk from using M&S	
Low	High
✓	✓
X	?
High	

Risk to Program	
Low	High
Risk from using M&S	
Low	High
✓	✓
X	✓
High	

How we use M&S to support modernization efforts will affect the way we use M&S in the future.



Summary



- Developing confidence in M&S is going to take time.
- The most difficult part is learning how to measure benefits.
- M&S management should be a disciplined process.

Understanding the SBA Business case
must be “learned by doing.”